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Federal Bureau of Investigation

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Office of the Director

Washington, D.C. 20535

December 20, 1983

BY LIAISON

Honorable William J. Casey
 Director of Central Intelligence
 Central Intelligence Agency
 Washington, D. C.

FBI Review Completed

Dear Bill:

This communication is classified "Confidential" in its entirety, unless otherwise indicated. (U)

I have asked my Intelligence Division to review and comment upon the Gross Commission Report and related issues so that I might appreciate all the ramifications and form a reasoned judgment on them. Copies of their review are attached, as is a copy of the position the FBI took on the role of counterintelligence analysis before the Commission.

We in the FBI deeply appreciate your consistent and successful support for our Foreign Counterintelligence Program, particularly on resource matters. The comments of Ed O'Malley and his associates are based on deeply held convictions, philosophical differences, and disappointment in the Report's recommended solutions. I endorse this professional and constructive approach.

We are delighted with the opportunity to discuss the proposal over lunch with John Gross yesterday. Increased understanding of the concerns which motivated the Commission and which underlie the Bureau's questions was the objective. I think we achieved it.

SECRET MATERIAL ATTACHED

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Honorable William J. Casey

I asked Ed O'Malley to think over the paper he prepared for me in light of our discussion with John. Having done so, Ed advises me that, although his basic concerns remain, it appears possible to satisfy them in the "Terms of Reference" for the NIO, if you decide to appoint one.

Five studies of counterintelligence have now been conducted in three years. We believe the free exchange of ideas is essential to the successful functioning of the intelligence community. I believe we have demonstrated this in our response to all those studies.

I have reviewed the Intelligence Division's evaluation and find myself in general agreement. I shall be happy to discuss the issues with you or to have someone review them with your designee. They are significant issues and have serious implications for us all.

Sincerely,



William H. Webster
Director

Enclosures (3)

1 - Mr. John A. Gross

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